

DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers, Rock Island
Clock Tower Building, P.O. Box 2004
Rock Island, Illinois 61204-2004

CENCR-PP

Memorandum
5-2-1

19 April 1993

Management
PROCEDURES FOR FINANCIAL CLOSE-OUT OF
STUDIES AND PROJECTS

1. Purpose. The purpose of this memorandum is to establish local policies of the Corps of Engineers, North Central, Rock Island (CENCR) covering the Project Management procedures for the final accounting and financial close-out of studies and projects at CENCR.

2. Applicability. This memorandum applies to all elements of CENCR.

3. References.

a. ER 5-7-1(FR), Management, Project Management,
30 Sep 92.

b. ER 11-1-26, Army Programs, Contract Audit,
30 Mar 90.

4. Activities During Initiation of Study/Project.

a. To facilitate efficient close-out and accounting of project costs, each Project Manager (PM), in coordination with their respective program analyst, will establish cost codes at the beginning of each project phase (Reconnais-sance, Feasibility, Pre-construction Engineering and Design, Plans and Specifications, and Construction). The cost codes established will be unique to the particular phase of project development, and will segregate cost-shared versus non-cost-shared project features. This will assist accountants and auditors in discerning which costs are associated with cost-shared versus non-cost-shared phases and features of project development.

b. At the beginning of the fourth quarter of the fiscal year, Programs and Project Management Division (PP), Programs Management Branch (PP-P) will prepare an Annual List of Projects, managed in accordance with policies and procedures specified in the reference in paragraph 3.a., which are scheduled for completion in the upcoming fiscal year. The list, stating the local sponsor's estimated share of project costs and recommending projects for audit, will be signed by the Contracting Officer (CO). The list will recommend a Full Scope Audit when the sponsor's non-cash share is greater than or equal to \$500,000. If the sponsor's non-cash share is less than \$500,000 an audit is not required, however, a Limited Scope Audit may be recommended. The list will be provided to the Corps of Engineers, North Central Division, Audit Office, Rock Island (CENCD-AO-R) so that an audit schedule can be developed for the upcoming fiscal year.

This memorandum supersedes CENCR Memorandum 1105-2-4, dated 21 December 1990, and rescinds CENCR Forms 485-R, 486-R, and 487 dated 2 January 1991.

5. Activities During Completion of Study/Project.

a. The PM will coordinate with Construction Division (CENCR-CD), Engineering Division (CENCR-ED), Resource Management (CENCR-RM), Real Estate Division (CENCR-RE), Division Contract Audit Office (CENCD-AO), the project sponsor, and others, as necessary to assess if the project/study is 100 percent complete and that all costs are final (see paragraph 5.c for minimum responsibilities to assure project/study completion). When satisfied that the project/study is completed, the PM will notify the project Program Analyst and all others involved in the project of its completion. The Project Manager will coordinate with CENCR-RM and others as necessary to insure that no additional costs are incurred against the study/project.

b. The PM will request the sponsor to provide CENCR an itemized list of their project/study contributions. The list will be provided not later than 60 days either after the study is completed, or the last stage of construction is transferred to the customer.

c. To formally verify and confirm that the project / study is complete and all costs are final, a Project Management Transmittal Document (CENCR Form 493-R) (Appendix B) and Work Order/Completion Report (ENG Form 3013) (Appendix C), will be initiated by the PM. The transmittal will indicate the name of the project/study and which project phase (e.g. Reconnaissance; Feasibility; Pre-Construction, Engineering and Design (PED); or Construction) is ready for the certification of financial completion. The transmittal, along with ENG Form 3013, will then be routed through the offices responsible for certifying both project completion and the accuracy of project/study sponsor's credits, if necessary, and returned to the PM. Prior to routing the transmittal document, the PM should indicate any other responsibilities which are applicable to financial completion of a particular study or project. The PM's name should be the last name on the routing of the transmittal document. The PM's signature certifies that all project costs are final and correct. The PM will distribute the transmittal to the Deputy District Engineer for Project Management (CENCR-DP), CENCR-RM, and the PM's District File. A sign off on a transmittal document means that no additional labor costs will be processed against the project and that certain minimal responsibilities have been carried out.

The minimum responsibilities of the reviewing office are as follows:

<u>REVIEWING OFFICE</u>	<u>TELEPHONE EXTENSION</u>	<u>RESPONSIBILITY</u>
Project Manager	Varies	a. Initiate preparation of transmittal form (CENCR Form 493-R). b. Insures that all credits have been submitted and a the list of credits filed by sponsor is attached to the transmittal. c. Assures expeditious processing of transmittal.

<u>REVIEWING OFFICE</u>	<u>TELEPHONE EXTENSION</u>	<u>RESPONSIBILITY</u>
		d. Prepare and submit completion report ENG Form 3013.
CENCR-PD	5260	a. All required Planning Reports/Documents have been submitted, reviewed, approved and completed.
CENCR-PD	5260	b. Work Order Completion Report (ENG Form 3013) has been reviewed and approved for all Planning Phases (as completed).
CENCR-RE	5234	a. All right-of-way disputes settled.
		b. All sponsor credits of Lands, Easements, Rights-of-Way, and Dredged Materials Disposal Areas (LERD) have been submitted, reviewed and approved, and on file.
CENCD-AO-R	5320	Auditor's certification of all sponsor's credits is attached to transmittal.
CENCR-CD	5202	a. "Request for Refund of Iowa Sales Tax by Corps" form has been received from the Contractor(s).
		b. Construction is 100% complete.
		c. Waiver of Claims on file, and signed by contractor.
		d. Final Payment for last contract has been processed.

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<u>REVIEWING OFFICE</u>	<u>TELEPHONE EXTENSION</u>	<u>RESPONSIBILITY</u>
CENCR-ED	5226	a. Operation and Maintenance Manual completed. b. As-Built drawings completed. c. All sponsor credits for relocations; Planning, Engineering, and Design Costs after 1 Oct 85; and surveying and mapping costs have been reviewed, and approved, and are on file.
CENCR-ED	5226	d. ENG Form 3013 has been reviewed and approved for all Engineering Phases (as completed).
CENCR-RM	5242	a. All project reimbursements (i.e. state sales tax refunds) have been received and processed. b. Final Projects Costs (Federal and Non-Federal) have been computed and an analysis is attached to the transmittal.

d. After distributing copies of the signed transmittal the PM will write a letter, where determined to be appropriate, for the District Engineer's (DE) signature to notify the sponsor of the project's financial close-out, and either request additional funds, or refund excess funds, as necessary. The DE's signature on the close-out letter will serve as the final certification/authority in the close-out process. The PM will furnish the DE copies of supporting documentation, (i.e., the signed transmittal document, with attachments) sufficient to assure the DE of project/study financial completion.

(1). Processing refunds. If a refund is due to the sponsor, the PM will submit a Public Voucher for Purchases and Services Other than Personal (SF-1034) (Appendix D), to CENCR-RM. CENCR-RM will issue a check payable to the sponsor. The check will be mailed with the close-out letter.

(2). Additional Funds. Upon receipt of additional non-federal funds (if required) CENCR-RM will notify the PM, and place the funds received in the correct contributed funds account. After receipt of additional funds or refund of excess non-federal funds (if cost-shared), the PM will (in consultation with the functional Chiefs, CENCR-PP-P and CENCR-DP) determine the disposal of any excess Federal Funds. Upon determination, the PM will send a memorandum through the affected Chief(s) and CENCR-DP to CENCR-PP-P, directing the proper disposal of excess Federal funds, i.e., revocation to higher authority or transfer to another project.

e. Finalizing Accounts. Upon receipt of the PM's memorandum discussed in paragraph 5.d.(2) above, CENCR-PP-P will send a memorandum to the Finance and Accounting Branch (CENCR-RM-FC) requesting a transfer of costs between accounts to reflect appropriate Federal and non-Federal cost-share as identified in the Project Cooperation Agreement (PCA). CENCR-PP-P will furnish a copy of the memorandum to the PM. CENCR-PP-P will also send a memorandum to higher headquarters requesting approval of the recommended disposal of any excess Federal funds.

f. Completing the Close-Out Process. To complete the close-out process, the PM will submit a ENG Form 3013 to CENCR-RM. This completion report will allow CENCR-RM to transfer the completed stage/phase of the project/study from the work-in-progress account to the completed project/study account.

6. Project Manager's Checklist. The Project Manager's Checklist, summarizing the aforementioned tasks, is listed below:

a. Establish unique cost-codes for each phase of project/study development which discern between cost-shared vs. non-cost shared features and phases.

b. Coordinate with CD, RM, RE, ED, PD, AO, the project/study sponsor, and others as necessary to confirm that the project/study is 100% complete (see paragraph 5.c for minimum responsibilities to assure project/study completion).

c. Satisfied that the project/study has been completed, contact the program analyst to assure that no additional costs are incurred against the project.

d. Initiate and route CENCR Form 493-R to document that all work is final and correct, sign the transmittal, and furnish a copy to DP, RM, and the District File.

f. Prepare a letter for the DE's signature (para. 5.d.) to notify the sponsor (for cost-shared projects) of project's financial close-out, and request additional funds, or refund excess funds as necessary. If a refund is due to the sponsor, submit an SF 1034 to RM, and request RM to issue a check payable to the sponsor, to be included in the DE's letter. Furnish the DE a copy of the signed CENCR Form 493-R, with attachments, to assure the DE of project/study financial completion.

g. Upon RM's notice of receipt of additional funds or refund of excess funds (if cost-shared), coordinate with Functional Chiefs, DP, and PP-P to determine proper disposal of any excess Federal funds.

h. Coordinate with PP-P concerning the proper disposal of excess Federal funds (if necessary).

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i. Prepare and submit ENG Form 3013.

7. Continuing Authorities Checklist. A supplemental checklist for close-out of Continuing Authorities (CA) projects is included as Appendix A. CENCR Form 493-R can also be used for close-out of CA projects. However, responsibilities which are not applicable to CA projects should be so indicated in the remarks column by the PM prior to routing.

FOR THE COMMANDER:

LARRY E. JONES
Executive Assistant

4 APPENDICES:

Appendix A: Project Manager's Supplemental Checklist for Financial Completion of Continuing Authorities Projects

Appendix B: Project Management Transmittal Document, CENCR Form 493-R (Revised) dated 1 Apr 93

Appendix C: Work Order/Completion Report, ENG Form 3013, dated Aug 81

Appendix D: Public Voucher for Purchases and Services Other Than Personal, Standard Form 1034, (Revised) dated Jan 80

Distribution:
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APPENDIX A

PROJECT MANAGER'S
SUPPLEMENTAL CHECKLIST
FOR FINANCIAL COMPLETION OF
CONTINUING AUTHORITIES PROJECTS

PHASE	ACTION OFFICE	TASK
RECONNAISSANCE PHASE COMPLETED	PD	Prepares the ENG Form 3013 to close-out Recon Phase. Can apply to all PD studies: specifically authorized studies, and Continuing Authorities.
FEASIBILITY PHASE COMPLETED	PD	Prepares the ENG Form 3013 to close-out Feasibility Phase, if Continuing Authority Study.
CONSTRUCTION COMPLETED	CD	Distribute memo of final project acceptance by local sponsor to ED.
	ED	Informs all involved offices of construction completion and prepares the NCR Form 493-R to initiate the close-out of the construction phase.
	RE	Completes routine close-out tasks in regard to local sponsor concerns.
	CD	As part of routine construction close-out, initiates action for recovery of IA State Sales Tax.
	PD	Reviews all costs incurred, requesting the balancing of accounts by RM. This should be done originally when construction is begun, i.e. RM-F needs to be informed of cost-share provisions when cost codes are established by ED.
	RM-F	Establishes matching "FW" (non-Federal) cost-codes, if necessary, and splits costs as spelled out in the Project Cooperation Agreement.

APPENDIX A (Continued)

PHASE	ACTION OFFICE	TASK
CONSTRUCTION COMPLETED (continued)	RM-F	Computes final close-out summary after the receipt of IA State Sales Tax refund.
	ED	Prepares ENG Form 3013 to close-out construction phase.
	PD	Requests RM-F prepare a refund check to non-Federal sponsor, and attaches a SF-1034 (Public Voucher for Purchases and Services Other Than Personal); or writes a letter to the sponsor requesting additional funds, as necessary.
	PD	Initiates the correspondence to accompany the refund check to the non-Federal sponsor and coordinates with RM-F. The concurrence on the refund letter is to include PP, PD, ED, CD, RE, and OC. Correspondence is for the DE's signature.
	RM-F	Prepares the refund check and informs PD when it is ready.
	PD	Attaches staffed, signed letter and check; sends it certified mail return receipt requested to the non-Federal sponsor.
	PD	Initiates the request to PP to revoke federal funds (Amounts will be rounded.)